

## Environmental and Social Data Sheet

### Overview

Project Name:	FLUTKATASTROPHE - WIEDERAUFBAU SACHSEN
Project Number:	2014-0441
Country:	Germany
Project Description:	Project in support of investments necessary to repair damages caused by the severe floods of 2013 in the federal state of Saxony. The financing of the repair works is structured in a form of a fund and the EIB loan will be used to finance Saxony's contributions to this scheme.
EIA required:	No
	This is a multi-scheme multi-sector operation in large number of small schemes concerning repair and reconstruction of existing infrastructure and buildings and will not be subject to EIA. Nevertheless, should any scheme fall under Annex II of the EIA Directive and be "screened in", normal EIB Framework Loan conditions will apply. The Promoter shall deliver to the Bank the NTS of EIAs, where applicable, before the Bank funds are allocated.
Project included in Carbon Footprint Exercise <sup>1</sup> :	No

### Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The operation is structured as Framework Loan to support flood repair and reconstruction schemes administered by Sächsische Aufbaubank – Förderbank (SAB), the development bank of Saxony. The EIB loan, planned for the period 2014-2015, will complement the national contribution and to a limited extent grants from the EU Solidarity Fund. The framework loan will be used for restoration and reconstruction of fundamental public and private infrastructure in Saxony, albeit taking into account planned flood protection measures foreseen in Saxony. The investment programme seeks to re-establish the conditions for economic growth and sustainable development, and to support social cohesion and job creation in Saxony, which is classified as a Convergence Region. The loan will cover some 5 400 small schemes in all sectors of society that were affected by the 2013 flood. The loan will be structured as a multi-sector multi-scheme Framework Loan.

The severe flood damages in Saxony in May/June 2013 were the result of a sequence of unusual meteorological events. Rainfall at levels twice as high as long term averages followed an already wet spring that had left soils fully saturated when these rains occurred leading to immediate build-up of extremely high run-offs. As these high rainfalls were not confined to small areas but occurred throughout river catchments in neighbouring countries, flood levels were not only extremely high but also lasted very long. The period over which dykes were under extreme load (leading to full saturation of the dykes) eventually resulted in various dyke failures and consequently to flood damages in areas that could be considered fully protected under commonly established flood risk assessments. Direct flood damages amount to approx. EUR 1 900 million, excluding damages to private households and indirect damages (e.g. loss of income).

<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

Given the relative small size of the individual schemes and the nature of the sectors concerned, most of the schemes are deemed not to have any significant measurable environmental impacts. In case of investments in repair and reconstruction of infrastructure and buildings, there are a number of positive effects expected, including energy savings.

The road and other public transport infrastructure schemes, mainly reconstruction of municipal roads, bridges, etc. are expected to have some minor negative impacts during the construction/implementation period. Once the schemes are completed, it is generally expected that the overall net environmental impact will be positive.

Given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities in Saxony, the Framework Loan is acceptable in environmental terms.

## **Environmental and Social Assessment**

### **Environmental Assessment**

Some of the schemes related to municipal and state infrastructure may eventually, although very unlikely, fall under Annex II of the 2011/92/EU Directive. Verification of the environmental requirements according to the national legislation is implicitly included in the administrative procedures of the programme manager, Sächsische Aufbaubank – Förderbank (SAB), which includes involvement of the relevant and competent environmental authorities before financing of the projects.

Should any scheme have a negative impact on an area forming part of the Natura 2000 network (falling under the Habitats Directive 92/43/EEC or Birds Directive 79/409/EEC), the Bank would require the promoter to act according to the provisions of the aforementioned Directives as transposed into the national law.

### **The Flood and Flood Protection**

In late May and early June 2013, after several days of heavy rain, Central Europe was hit by severe flooding. The flooding primarily hit south and east German Bundesländer (Thuringia, Saxony, Saxony-Anhalt, Lower Saxony, Bavaria and Baden-Württemberg), western regions of the Czech Republic (Bohemia), and Austria. In addition, but to a lesser extent, the rain and flooding affected also Switzerland, Slovakia, Belarus, Poland, Hungary and Serbia (Vojvodina). The flood crest progressed down the Elbe and Danube drainage basins and tributaries, leading to high water and flooding along their banks.

The flood waters were expected to exceed the levels seen during the disastrous "once in a century" Central European floods of 2002 in some areas. In Bavaria and eastern Germany, water levels significantly exceeded those of 2002 in many places on the Danube and Elbe. In Saxony's capital Dresden, the old city centre was largely spared, unlike in 2002. Thanks to better flood control, fewer dykes on the upper reaches of the Elbe broke than in 2002, but this meant that the flood wave further downstream was all the higher. In many areas along the Elbe and its tributaries, the floods reached a record level. Many installations and buildings in low-lying were affected. Many SMEs had their facilities and/or equipment damaged. Many schools, hospitals, municipalities and many parts of civil society and its infrastructure were fully or partly damaged. At the worst moment, on the 6<sup>th</sup> of June 2013, some 16 000 inhabitants in Saxony had to be evacuated from the homes, hundreds of institutions had to be closed and hundreds of companies had to shut down the economic activities. Some companies have still until today not been able to return or reopen their business since the flood took place.

Since 2002, State of Saxony has created the institutional framework to improve flood protection and enable investments. For instance 65 000 hectares of flood retention areas have been designated. Furthermore, since 2004 new flood-generating areas have been designated, in order to maintain natural water infiltration and water retention. The improvement of water retention in agriculture and forestry has succeeded thanks to the use of

counselling and professional support. Since 2005, flood protection plans for the Elbe and other rivers were developed, on the basis of hazard (risk) assessments, local documentation and also on the basis of previously implemented or planned flood protection measures. Based on those flood protection assessments, the Free State began implementing a national flood control investment programme in 2005. It currently includes 351 complex projects, 80 of which have already been completed. Government investment in flood protection stands now at EUR 530 m and it is expected to rise to EUR 1bn by 2020.

So far, about 30 municipal flood protection projects were supported with EUR 27m - altogether almost 100 municipal flood protection measures. An important conclusion after the 2002 flood has been that rivers should generally be given more space in order to retain and flatten flood levels. Thus, the State Reservoir Administration has improved through more than 1 000 measures the status of rivers and streams. These measures are also fully in line with the requirements of the Water Framework Directive (2000/60/EC). With the establishment of the State Flood Center (LHWZ) in Dresden-Klotzsche, following the 2002 flood, flood management and early warning services have improved. Since 2004 the State operates an early warning system that informs affected communities, public institutions or companies directly.

## **Conclusion**

In summary, it is believed that the schemes in this operation, which are also complemented by ongoing and planned flood protection measures in Saxony, however, outside this particular operation, mainly will have positive social and environmental impacts. The everyday life for the inhabitants and associated social relations and routines will be improved thanks to repaired and reconstructed infrastructure and buildings, as many associated social relations and routines are since May/June 2013 gravely disrupted. Of special significance are the effects on the commercial activity in the affected area, since many SMEs had their activities disrupted. The project aims to normalize everyday life by providing access to reconstructed and safe houses, schools and other public buildings, as well as essential infrastructure and transport links.